

AMENDED IN ASSEMBLY JUNE 2, 2003

AMENDED IN ASSEMBLY MAY 6, 2003

AMENDED IN ASSEMBLY APRIL 22, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1266

Introduced by Committee on Budget

February 21, 2003

An act to *amend Sections 52055.650, 60800, 69440, 76355, and 84750 of, to add Sections 18866, 60227, and 69999.3 to, to add Chapter 4.6 (commencing with Section 18880) to Part 11 of, to repeal Section 426 of, and Sections 426 and 14044 of, to repeal Article 4.2 (commencing with Section 18733) and Article 4.5 (commencing with Section 18735) of Chapter 4 of Part 11 of, and to repeal Chapter 7 (commencing with Section 99300) of Part 65, of the Education Code, relating to literacy and to repeal Chapter 1.2 (commencing with Section 628) of Title 15 of Part 1 of the Penal Code, relating to schools, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1266, as amended, Committee on Budget. ~~California English Acquisition and Literacy Program schools.~~

Existing

(1) *Existing* law requires the State Librarian to contract for an independent evaluation of a specified portion of the English Language and Intensive Literacy Program and to submit interim reports to the Legislature, as specified.

This bill would repeal those provisions.

~~Existing~~

(2) *Existing* law establishes the California Library Literacy Service as a public library services program designed to reduce adult illiteracy by providing English language literacy instruction and related services to adults and youth who are not enrolled in school. Existing law also establishes the Families for Literacy Program, a library services program with the purpose of preventing illiteracy through coordinated literacy and preliteracy services to families that include illiterate adults and young children.

This bill would repeal those programs and instead would establish the California English Acquisition and Literacy Program to reduce illiteracy among children and adults by providing English language literacy instruction and related services to native and nonnative English speaking youth and adults residing in California.

(3) *Existing law establishes the Library of California Act under which program elements of the California Library Services Act would be phased out and repealed.*

This bill would provide that funding for the Library of California Act is contingent upon an appropriation in the annual Budget Act for that purpose.

(4) *Existing law establishes the High Priority School Grant Program under which funds are made available to eligible schools for implementation of a school action plan that includes specified components.*

This bill would provide that a school participating in the program that received a planning grant in the 1999–2000 fiscal year is eligible to receive program funding in the 2002–03 fiscal year only and that a school participating in the program that received a planning grant in the 2001–02 fiscal year is eligible to receive program funding in the 2002–03 and 2003–04 fiscal years only.

(5) *Existing law requires a school district that maintains any of grades 5, 7, and 9 to administer to each pupil in those grades a physical performance test designated by the State Board of Education and requires the State Department of Education to compile the results of this test and to submit a report every 2 years to the Legislature and Governor on the test.*

This bill would delete provisions regarding the requirement that the department compile test data and report to the Legislature and Governor.



(6) Existing law requires the State Board of Education to adopt basic instructional materials for use in kindergarten and grades 1 to 8, inclusive. Existing law further requires the state board to ensure that curriculum frameworks are reviewed and adopted in each subject area consistent with specified submission cycles.

This bill would require the department to collect a fee from publishers and manufacturers submitting instructional materials for follow-up adoption following a curriculum framework revision. The bill would require the fee to be based on the volume of materials submitted by each publisher and manufacturer.

(7) Existing law establishes the Cal Grant Program, and requires that Cal Grant C awards be used only for occupational or technical training in a course of not less than 4 months and Cal Grant T awards be used only for tuition and student fees for a maximum of one academic year of full-time attendance in a program of professional preparation that is approved by the Commission on Teacher Credentialing. Existing law requires that the same number of Cal Grant C awards are required to be made each year as were made in the 2001–02 fiscal year and a minimum of 3,000 new Cal Grant T awards are required to be made each year.

This bill would delete the requirements regarding the number of Cal Grant C awards and Cal Grant T awards are required to be made in a fiscal year.

(8) Existing law establishes the Governor’s Scholars Program under which a pupil may receive a scholarship award for attaining a high score, as specified, on the reading and mathematics portions of the statewide achievement test. Existing law also establishes the Governor’s Distinguished Mathematics and Science Scholars Program under which a pupil may receive a scholarship award for demonstrating specified high academic achievement in mathematics and science.

This bill would provide that no award is to be made, nor is there any entitlement to an award, based on a test taken in 2003.

(9) Existing law authorizes the governing board of a community college district to require students to pay a fee in specified amounts for health supervision and to increase the fee. Existing law requires a community college district that provided health services in the 1986–87 fiscal year to maintain health services at the level and requires the district to bear the excess cost to maintain that level of service if the fees charged to students is insufficient.



This bill would delete the specified amounts of the fee that may be charged, the authority to increase the fee, and the requirement that the district bear the excess cost to maintain the level of service that was provided in 1986–87.

(10) Existing law requires the Board of Governors of the California Community Colleges to develop, within certain statewide minimum requirements, criteria and standards for the purposes of making the annual budget request for the California Community Colleges.

This bill would revise the statewide minimum requirements on which the criteria and standards are to be based relative to decreases in noncredit FTES, in FTES for credit instruction and for instructional services and libraries, and decreases in headcount for student services.

(11) Existing law, until June 30, 2003, establishes the Student Academic Partnership program to provide preservice training to prospective teachers and secure tutoring assistance for pupils in kindergarten and grades 1 to 6, inclusive.

This bill would repeal the program.

(12) Existing law requires that school districts report on crimes committed on school grounds, as specified. Existing law requires the State Department of Education, in consultation with the Department of Justice and a representative selection of school districts, to develop a standard school crime reporting form. Existing law requires the department to identify guidelines for reporting, and documentation for validating, the incidents of each crime description included on the standard school crime reporting forms, as specified.

This bill would repeal provisions regarding the reporting of school crime.

(13) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~ 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 426 of the Education Code is repealed.
- 2 SEC. 2. Section 14044 of the Education Code is repealed.
- 3 14044. —(a) ~~Upon determining that any semiannual report to~~
- 4 ~~the State Department of Education, as required under Section~~
- 5 ~~628.2 of the Penal Code, has not been submitted, or that a~~
- 6 ~~submitted report contains intentionally misleading data, the~~

~~Superintendent of Public Instruction may withhold an amount from the next state funding apportionment to which the school district or, as appropriate, the county office of education, would otherwise be entitled. The amount so withheld shall not exceed one-half of the annual salary of the superintendent of that district or of that county superintendent of schools, respectively.~~

~~(b) Any funds withheld pursuant to subdivision (a) shall be held in trust by the Superintendent of Public Instruction until he or she determines that the data required under Section 628.2 of the Penal Code has been submitted, in complete and accurate form, by the appropriate school district or county office of education whereupon those funds shall be released to the appropriate county treasury to the credit of that district or county office of education.~~

SEC. 3. Article 4.2 (commencing with Section 18733) of Chapter 4 of Part 11 of the Education Code is repealed.

~~*SEC. 3.*~~

SEC. 4. Article 4.5 (commencing with Section 18735) of Chapter 4 of Part 11 of the Education Code is repealed.

~~*SEC. 4.*~~

SEC. 5. Chapter 4.6 (commencing with Section 18880) is added to Part 11 of the Education Code, to read:

CHAPTER 4.6. CALIFORNIA ENGLISH ACQUISITION AND LITERACY PROGRAM

18880. (a) The California English Acquisition and Literacy Program is hereby established within the California State Library as a public library program designed to reduce illiteracy among children and adults by providing English language literacy instruction and related services to native and nonnative English speaking youth and adults residing in California. For purposes of this article, “English language literacy instruction” means the development of basic skills of speaking, reading, and writing in the English language.

(b) The California State Library shall allocate funds appropriated in the Budget Act for the California English Acquisition and Literacy Program to local library jurisdictions that are effectively providing literacy services.

1 (c) At local discretion, jurisdictions may use their allocation
2 from the State Literacy Program for any of the services described
3 in Section 18737.

4 (d) The California State Library shall provide local
5 jurisdictions with technical assistance to the extent that resources
6 are available for this purpose.

7 18881. The California English Acquisition and Literacy
8 Program for public libraries may be used for any of the following:

9 (a) (1) Services designed to reduce adult illiteracy by
10 providing English language literacy instruction and related
11 services to adults and youth who are not enrolled in school. A
12 participating public library may establish an adult literacy
13 instructional program that provides adult basic literacy instruction
14 and related services. Participant learning shall be evaluated on the
15 basis of statewide guidelines established by the State Librarian.

16 (2) The public library shall do all of the following in
17 establishing and implementing the program:

18 (A) Seek community and local government awareness of and
19 support for the program and develop a local commitment of
20 resources for the program's continuation.

21 (B) Develop cooperative relationships with other local literacy
22 service providers and participate in existing community adult
23 literacy coalitions, in order to address the wide variety of literacy
24 needs of the community and ensure an effective utilization of
25 resources. The public library shall assist in the establishment of a
26 community adult literacy coalition if none currently exists.

27 (C) Recruit and train volunteers to provide tutoring and other
28 services in public library and other community settings.

29 (D) Certify that the local jurisdiction will provide the same
30 level of local and private fiscal support as it did in the preceding
31 fiscal year.

32 (b) (1) Services to prevent illiteracy through coordinated
33 literacy and preliteracy services to families that include illiterate
34 adults and young children. The program shall provide reading
35 preparation services for young children in public library settings
36 and shall instruct parents in reading to their children. In addition,
37 the program shall provide technical assistance, parent support, and
38 any resources and materials necessary for its implementation.

39 (2) A public library implementing this service shall meet all of
40 the following requirements:

1 (A) Offer new services to families with young children with the
2 goal of helping the children become successful readers by
3 increasing their general competence, self-confidence, and positive
4 emotional associations with reading as a family experience and
5 familiarity with the lifelong use of library resources. Recruitment
6 of parents not previously included in public library literacy
7 programs is a high priority.

8 (B) Families eligible for the program shall include, but not be
9 limited to, those with young children up to the age of five years.

10 (C) Program meetings shall be held in public library settings.

11 (D) The public library literacy program staff and children's
12 services staff shall work in close coordination with the State
13 Library in administering the program to assure maximum
14 integration of literacy services to parents and preliteracy services
15 to their children.

16 (3) Services offered by a public library under this subdivision
17 shall include the following:

18 (A) Acquisition of books, of appropriate reading levels for, and
19 containing subjects of interest to, children for ownership by young
20 children of families participating in the program.

21 (B) Regular meetings of parents and children in public library
22 settings during hours that are suitable for parents and their
23 children.

24 (C) Storytelling, word games, and other exercises designed to
25 promote enjoyment of reading in adults and children.

26 (D) Use of children's books and language experience stories
27 from the meetings as material for adult literacy instruction.

28 (E) Instruction for parents in book selection and reading aloud
29 to children.

30 (F) Services to enhance full family participation and to foster
31 a family environment conducive to reading.

32 (G) Assistance to parents in using services in order to access
33 books and other materials on such topics as parenting, child care,
34 health, nutrition, and family life education.

35 (H) Other services, as necessary to enable families to
36 participate in the program.

37 (c) Services for pupils in kindergarten and grades 1 to 12,
38 inclusive, and their families in local English language learner and
39 literacy programs. Local libraries may offer year-round literacy

1 and English language tutoring in collaboration with nonprofit and
2 other local organizations.

3 18883. A local library shall ensure that funds received
4 pursuant to this chapter are exclusively used for expenses resulting
5 from providing English language and literacy services and shall
6 ensure that at least 90 percent of the funds received for the program
7 are expended on direct services and supplies for English language
8 learners and their families.

9 *SEC. 6. Section 18866 is added to the Education Code, to*
10 *read:*

11 *18866. Funding for the purposes of this chapter is contingent*
12 *upon an appropriation being made for that purpose in the annual*
13 *Budget Act.*

14 *SEC. 7. Section 52055.650 of the Education Code is amended*
15 *to read:*

16 52055.650. (a) Section 52055.5 does not apply to a school
17 participating in the High Priority School Grant Program.

18 (b) Twenty-four months after receipt of funding for
19 implementation of the action plan pursuant to Sections 52054.5
20 and 52055.600 or no sooner than July 1, 2004, a school that has not
21 met its growth targets each year shall be subject to review by the
22 State Board of Education. This review shall include an
23 examination of the school's progress relative to the components
24 and reports made pursuant to Section 52055.640. The
25 Superintendent of Public Instruction, with the approval of the
26 State Board of Education, may direct that the governing board of
27 a school take appropriate action and adopt appropriate strategies
28 to provide corrective assistance to the school in order to achieve
29 the components and benchmarks established in the school's action
30 plan.

31 (c) Thirty-six months after receipt of funding to implement a
32 school action plan or no sooner than July 1, 2005, a school that has
33 met or exceeded its growth target each year shall receive a
34 monetary or nonmonetary award, under the Governor's
35 Performance Award Program, as set forth in Section 52057. Funds
36 received pursuant to that section may be used at the school's
37 discretion.

38 (d) Thirty-six months after receipt of funding to implement a
39 school action plan or no sooner than July 1, 2005, a school that has
40 not met its growth targets each year, but demonstrates significant

1 growth, as determined by the State Board of Education, shall
2 continue to participate in the program and receive funding as
3 specified in Sections 52054.5 and 52055.600.

4 (e) Notwithstanding any other provision of law, the
5 Superintendent of Public Instruction, with the approval of the
6 State Board of Education, shall follow the course of action
7 prescribed by paragraph (1) or (2) with respect to a school that does
8 not meet its growth targets within the periods described in either
9 subdivision (c) or (d), as applicable, or no later than July 1, 2005,
10 and has failed to show significant growth, as determined by the
11 State Board of Education.

12 (1) Require the district to enter into a contract with a school
13 assistance and intervention team.

14 (A) Team members should possess a high degree of knowledge
15 and skills in the areas of school leadership, curriculum, and
16 instruction aligned to state academic content and performance
17 standards, classroom management and discipline, academic
18 assessment, parent-school relations, and evaluation and
19 research-based reform strategies and have proven successful
20 expertise specific to the challenges inherent in low-performing
21 schools.

22 (B) The team shall provide intensive support and expertise to
23 implement the school reform initiatives in the plan. Decisions
24 about interventions shall be data driven. A school assistance and
25 intervention team shall work with school staff, site planning teams,
26 administrators, and district staff to improve pupil literacy and
27 achievement by assessing the degree of implementation of the
28 current action plan, refining and revising the action plan, and
29 making recommendations to maximize the use of fiscal resources
30 and personnel in achieving the goals of the plan. The district shall
31 provide support and assistance to enhance the work of the team at
32 the targeted schoolsites.

33 (C) Not later than 60 days after the school's API becomes
34 public, the team ~~must have completed~~ *shall complete* an initial
35 report. The report shall include recommendations for corrective
36 actions chosen from a range of interventions, including the
37 reallocation of district fiscal resources to ensure that appropriate
38 resources are targeted to those specific interventions identified in
39 the recommendations of the team for the targeted schools and other
40 changes deemed appropriate to make progress toward meeting the

1 school's growth target. Not later than 90 days after the API is made
2 public, the governing board of the school district shall adopt the
3 team's recommendations at a regularly scheduled meeting of the
4 governing board. The governing board may not place the adoption
5 on the consent calendar. The report shall be submitted to the
6 Superintendent of Public Instruction and State Board of
7 Education.

8 (D) No less than three times during the year, the school district
9 and schoolsite shall present the team with data regarding progress
10 toward the goals established by the team's initial assessment. The
11 data shall be presented to the governing board of the school district
12 at a regularly scheduled meeting. The team shall, to the extent
13 possible, utilize existing site data. The data shall also be provided
14 to the Superintendent of Public Instruction and State Board of
15 Education. Every effort shall be made to report this data in a
16 manner that minimizes the length and complexity of the reporting
17 requirement in order to maximize the focus on improving pupil
18 literacy and achievement.

19 (E) An action taken pursuant to this paragraph shall not
20 increase local costs or require reimbursement by the Commission
21 on State Mandates.

22 (2) The Superintendent of Public Instruction shall assume all
23 the legal rights, duties, and powers of the governing board with
24 respect to the school. The Superintendent of Public Instruction, in
25 consultation with the State Board of Education and the governing
26 board of the school district, shall reassign the principal of that
27 school subject to the findings in subdivision (i). In addition to
28 reassigning the principal, the Superintendent of Public Instruction,
29 in consultation with the State Board of Education, shall,
30 notwithstanding any other provision of law, do at least one of the
31 following:

32 (A) Revise attendance options for pupils to allow them to
33 attend any public school in which space is available. If *an*
34 additional attendance ~~options are~~ *option is* made available,
35 ~~nothing in this option shall be construed to~~ *may not* require either
36 the sending or receiving school district to incur additional
37 transportation costs.

38 (B) Allow parents or guardians to apply directly to the State
39 Board of Education for the establishment of a charter school and

1 allow parents or guardians to establish the charter school at the
2 existing schoolsite.

3 (C) Under the supervision of the Superintendent of Public
4 Instruction, assign the management of the school to a college,
5 university, county office of education, or other appropriate
6 educational institution. However, the Superintendent of Public
7 Instruction may not assume the management of the school.

8 (D) Reassign other certificated employees of the school.

9 (E) Renegotiate a new collective bargaining agreement at the
10 expiration of the existing collective bargaining agreement.

11 (F) Reorganize the school.

12 (G) Close the school.

13 (f) In addition to the actions listed in subdivision (e), the
14 Superintendent of Public Instruction, in consultation with the State
15 Board of Education, may take any other action considered
16 necessary or desirable against the school district or the school
17 district governing board, including appointment of a new
18 superintendent or suspension of the authority of the governing
19 board with respect to a school that does not meet its growth targets
20 within the periods described in either subdivision (b) or (c), as
21 applicable, and has failed to show significant growth, as
22 determined by the State Board of Education.

23 (g) Before the Superintendent of Public Instruction may take
24 any action against a principal pursuant to subdivision (e), the
25 Superintendent of Public Instruction or a designee of the
26 superintendent shall hold a public hearing on the matter in the
27 school district and make both of the following findings:

28 (1) A finding that the principal had the authority to take specific
29 enumerated actions that would have helped the school meet its
30 performance goals.

31 (2) A finding that the principal failed to take specific
32 enumerated actions pursuant to paragraph (1).

33 (h) An action taken pursuant to subdivision (e), (f), or (g) shall
34 not increase local costs or require reimbursement by the
35 Commission on State Mandates.

36 (i) An action taken pursuant to subdivision (e), (f), or (g) shall
37 be accompanied by specific findings by the Superintendent of
38 Public Instruction and the State Board of Education that the action
39 is directly related to the identified causes for continued failure by
40 a school to meet its performance goals.

(j) (1) Notwithstanding subdivision (a), a school participating in the High Priority School Grant Program that received a planning grant pursuant to subdivision (f) of Section 52053 in the 1999–2000 fiscal year is eligible to receive funding pursuant to Section 52055.600 in the 2002–03 fiscal year only.

(2) Notwithstanding subdivision (a), a school participating in the High Priority School Grant Program that received a planning grant pursuant to subdivision (l) of Section 52053 in the 2000–01 fiscal year is eligible to receive funding pursuant to Section 52055.600 in the 2002–03 and 2003–04 fiscal years only.

SEC. 8. Section 60227 is added to the Education Code, to read:

60227. The State Department of Education shall collect a fee from publishers and manufacturers submitting instructional materials for follow-up adoption following a curriculum framework revision pursuant to Section 60200 for the purpose of covering expenses incurred by the department and the state board in administering those adoptions. To minimize the costs of the follow-up adoptions, the department and the state board shall develop and implement a simplified and streamlined review process for supplemental instructional materials. Fees charged pursuant to this section shall be based on the volume of materials submitted by each publisher and manufacturer and may not exceed the actual cost of review by the department and state board.

SEC. 9. Section 60800 of the Education Code is amended to read:

60800. (a) During the month of February, March, April, or May, the governing board of each school district maintaining any of grades 5, 7, and 9 shall administer to each pupil in those grades the physical performance test designated by the State Board of Education. Each physically handicapped pupil and each pupil who is physically unable to take all of the physical performance test shall be given as much of the test as his or her condition will permit.

(b) Upon request of the State Department of Education, a school district shall submit to the department, at least once every two years, the results of its physical performance testing.

~~(c) The State Department of Education shall compile the results of the physical performance test and submit a report every two years, by December 31, to the Legislature and Governor that standardizes the data, tracks the development of high-quality~~

~~fitness programs, and compares the performance of California's pupils with national performance, to the extent that funding is available.~~

~~(d)~~ Pupils shall be provided with their individual results after completing the physical performance testing.

~~(e)~~

(d) The governing board of a school district shall report the aggregate results of its physical performance testing administered pursuant to this section in their annual school accountability report card required by Sections 33126 and 35256.

SEC. 10. Section 69440 of the Education Code is amended to read:

69440. (a) Commencing with the 2001–02 academic year, and each academic year thereafter, Cal Grant T awards shall be used only for tuition and student fees for a maximum of one academic year of full-time attendance in a program of professional preparation that has been approved by the California Commission on Teacher Credentialing. ~~There shall be a minimum of 3,000 new Cal Grant T awards each year.~~ The maximum award amount, and the total amount of funding, shall be determined each year in the annual Budget Act. As a condition of receiving a Cal Grant T award, a recipient shall teach for one year in a low-performing school, as defined in *paragraph (3) of subdivision (c) of Section 44765 44510*, for each two thousand dollar (\$2,000) incentive provided through the Cal Grant T Program, for a period not to exceed four years. Any recipient who fails to meet his or her teaching obligation shall repay the Cal Grant T award.

(b) The commission shall allocate Cal Grant T awards using academic criteria or criteria related to past performance similar to that used in awarding Cal Grant A awards for the 2000–01 academic year.

SEC. 11. Section 69999.3 is added to the Education Code, to read:

69999.3. *No award may be made pursuant to this article based on a test taken in 2003. A pupil is not entitled to an award pursuant to this article based on a test taken in 2003.*

SEC. 12. Section 76355 of the Education Code is amended to read:

76355. (a) The governing board of a district maintaining a community college may require community college students to

1 pay a fee in the total amount of not more than ten dollars (\$10) for
2 each semester, seven dollars (\$7) for summer school, seven dollars
3 (\$7) for each intersession of at least four weeks, or seven dollars
4 (\$7) for each quarter for health supervision and services, including
5 direct or indirect medical and hospitalization services, or the
6 operation of a student health center or centers, or both.

7 ~~The governing board of each community college district may~~
8 ~~increase this fee by the same percentage increase as the Implicit~~
9 ~~Price Deflator for State and Local Government Purchase of Goods~~
10 ~~and Services. Whenever that calculation produces an increase of~~
11 ~~one dollar (\$1) above the existing fee, the fee may be increased by~~
12 ~~one dollar (\$1).~~

13 (b) If, pursuant to this section, a fee is required, the governing
14 board of the district shall decide the amount of the fee, if any, that
15 a part-time student is required to pay. The governing board may
16 decide whether the fee shall be mandatory or optional.

17 (c) The governing board of a district maintaining a community
18 college shall adopt rules and regulations that exempt the following
19 students from any fee required pursuant to subdivision (a):

20 (1) Students who depend exclusively upon prayer for healing
21 in accordance with the teachings of a bona fide religious sect,
22 denomination, or organization.

23 (2) Students who are attending a community college under an
24 approved apprenticeship training program.

25 (3) Low-income students, including students who demonstrate
26 financial need in accordance with the methodology set forth in
27 federal law or regulation for determining the expected family
28 contribution of students seeking financial aid and students who
29 demonstrate eligibility according to income standards established
30 by the board of governors and contained in Section 58620 of Title
31 5 of the California Code of Regulations.

32 (d) (1) All fees collected pursuant to this section shall be
33 deposited in the fund of the district designated by the California
34 Community Colleges Budget and Accounting Manual. These fees
35 shall be expended only to provide health services as specified in
36 regulations adopted by the board of governors.

37 ~~Authorized~~

38 (2) *Authorized* expenditures ~~shall~~ may not include, among
39 other things, athletic trainers' salaries, athletic insurance, medical
40 supplies for athletics, physical examinations for intercollegiate

1 athletics, ambulance services, the salaries of health professionals
2 for athletic events, any deductible portion of accident claims filed
3 for athletic team members, or any other expense that is not
4 available to all students. No student shall be denied a service
5 supported by student health fees on account of participation in
6 athletic programs.

7 (e) Any community college district that provided health
8 services in the 1986–87 fiscal year shall maintain health services,
9 at the level provided during the 1986–87 fiscal year, and each
10 fiscal year thereafter. ~~If the cost to maintain that level of service~~
11 ~~exceeds the limits specified in subdivision (a), the excess cost shall~~
12 ~~be borne by the district.~~

13 (f) A district that begins charging a health fee may use funds for
14 startup costs from other district funds and may recover all or part
15 of those funds from health fees collected within the first five years
16 following the commencement of charging the fee.

17 (g) The board of governors shall adopt regulations that
18 generally describe the types of health services included in the
19 health service program.

20 *SEC. 13. Section 84750 of the Education Code is amended to*
21 *read:*

22 84750. The board of governors, in accordance with the
23 statewide requirements contained in subdivisions (a) to (j),
24 inclusive, and in consultation with institutional representatives of
25 the California Community Colleges and statewide faculty and staff
26 organizations, so as to ensure their participation in the
27 development and review of policy proposals, shall develop criteria
28 and standards for the purposes of making the annual budget
29 request for the California Community Colleges to the Governor
30 and the Legislature, and for the purpose of allocating the state
31 general apportionment revenues, ~~beginning with the budget~~
32 ~~request for the 1991–92 fiscal year.~~

33 In developing the criteria and standards, the board of governors
34 shall utilize and strongly consider the guidelines and work
35 products of the Task Force on Community College Financing as
36 established pursuant to Chapter 1465 of the Statutes of 1986, and
37 shall complete the development of these criteria and standards,
38 accompanied by the necessary procedures, processes, and
39 formulas for utilizing its criteria and standards, by March 1, 1990,

1 and shall submit on or before that date a report on these items to
2 the Legislature and the Governor.

3 The board of governors shall develop the criteria and standards
4 within the following statewide minimum requirements:

5 (a) The calculations of each community college district's
6 revenue level for each fiscal year shall be based on the level of
7 general apportionment revenues (state and local) the district
8 received for the prior year plus any amount attributed to a deficit
9 of minimum workload growth, with revenue adjustments being
10 made for increases or decreases in workload, for program
11 improvement as authorized by this section or by any other
12 provision of law, for inflation, and for other purposes authorized
13 by law.

14 (b) (1) For credit instruction, the funding mechanism
15 developed pursuant to this section shall recognize the needs among
16 the major categories of operation of community colleges, with
17 categories established for instruction, instructional services and
18 libraries, student services, maintenance and operations, and
19 institutional support.

20 (2) The board of governors may propose to the Legislature, for
21 enactment by statute, other cost categories when adequate data
22 exist.

23 (3) Funding for noncredit classes shall be determined as
24 follows:

25 (A) The preliminary amount per noncredit full-time equivalent
26 student (FTES) for 1991–92 shall be equal to the comparable
27 amount for 1990–91 with increases corresponding to the cost of
28 living adjustment (COLA) specified in subdivision (e) and
29 corresponding to any program improvement provided to the
30 maintenance and operations category for 1991–92.

31 (B) Funds for maintenance and operations shall be included in
32 the funds derived under paragraph (4) of subdivision (c).

33 (C) Funds for institutional support will be derived as part of the
34 computation under paragraph (5) of subdivision (c).

35 (D) From the preliminary amount described in subparagraph
36 (A), a deduction shall be made corresponding to the amounts
37 derived in subparagraphs (B) and (C), and the remainder shall be
38 the funded amount per noncredit FTES for 1991–92.

39 (E) Changes in noncredit FTES shall result in adjustments to
40 revenues as follows:

(i) Increases in noncredit FTES shall result in an increase in revenues in the year of the increase and at the average rate per noncredit FTES.

(ii) Decreases in noncredit FTES shall result in a revenue reduction as follows:

~~(I) District revenue shall be adjusted at the average rate per noncredit FTES.~~

~~(II) Revenue adjustments shall be over a three-year period beginning in the year following the initial year of decrease in noncredit FTES in the year following the decrease and at the average rate per noncredit FTES.~~

(iii) Districts shall be entitled to restore any reductions in apportionment revenue due to decrease in noncredit FTES during the ~~three years~~ year following the initial year of decrease in noncredit FTES if there is a subsequent increase in FTES.

(4) Except as otherwise provided by statute, current categorical programs providing direct services to students, including extended opportunity programs and services, and disabled students programs and services, shall continue to be funded separately through the annual Budget Act, and shall not be assumed under budget formulas of program-based funding.

(5) District revenues shall be determined based on systemwide funding standards within the categories, and revenue adjustments shall occur based on distinct measures of workload applicable to each category.

(c) Workload measures applicable to each category shall be established with the following measures to be provided:

(1) For credit instruction, the workload measure shall be the credit FTES. Changes in credit FTES shall result in adjustments in revenues as follows:

(A) Increases in FTES shall result in an increase in revenues in the year of the increase and at the statewide average per FTES.

(B) Decreases in FTES shall result in a revenue reduction as follows:

~~(i) High revenue districts (those at the statewide average or higher) shall be adjusted at the statewide average per FTES.~~

~~(ii) Low revenue districts (those below the statewide average) shall be adjusted at one-half of the district's average per FTES.~~

~~(iii) Revenue adjustments shall be made over a three-year period beginning in the year following the initial year of decrease~~

1 ~~in FTES in the year following the decrease and at the district's~~
2 ~~average FTES.~~

3 (C) Districts shall be entitled to restore any reductions in
4 apportionment revenue due to decrease in FTES during the three
5 years following the initial year of decrease in FTES if there is a
6 subsequent increase in FTES.

7 (2) For instructional services and libraries, the workload
8 measure shall be the credit FTES. Changes in credit FTES with
9 respect to instructional services and libraries shall result in
10 adjustments to revenues as follows:

11 (A) Increases in FTES shall result in an increase in revenues in
12 the year of the increase and at the statewide average rate per FTES.

13 (B) Decreases in FTES shall result in a revenue reduction as
14 follows:

15 ~~(i) High revenue districts (those at the statewide average or~~
16 ~~higher) shall be adjusted at the full amount of the statewide~~
17 ~~average per FTES.~~

18 ~~(ii) Low revenue districts (those below the statewide average)~~
19 ~~shall be adjusted at one-half of the district's average per FTES.~~

20 ~~(iii) Revenue adjustments shall be made over a three-year~~
21 ~~period beginning in the year following the initial year of decrease~~
22 ~~in FTES in the year following the decrease and at the district's~~
23 ~~average per FTES.~~

24 (C) Districts shall be entitled to restore any reductions in
25 apportionment revenue due to decreases in FTES during the three
26 years following the initial year of decreases in FTES if there is a
27 subsequent increase in FTES.

28 (3) For student services, the workload measure shall be based
29 on the numbers of credit students enrolled (headcount).

30 Changes in headcount shall result in adjustments to revenues as
31 follows:

32 (A) Increases in headcount shall result in an increase in
33 revenues in the year of the increase at the statewide average per
34 headcount.

35 (B) Decreases in headcount shall result in a revenue reduction
36 as follows:

37 ~~(i) High revenue districts (those at the statewide average or~~
38 ~~higher) shall be adjusted at the full amount of the statewide~~
39 ~~average per headcount.~~

1 ~~(ii) Low revenue districts (those below the statewide average)~~
2 ~~shall be adjusted at one half of the district's average per headcount.~~

3 ~~(iii) Revenue adjustments shall be made over a three-year~~
4 ~~period beginning in the year following the initial year of decrease~~
5 ~~in headcount in the year following the decrease and at the district's~~
6 ~~average per headcount.~~

7 (C) Districts shall be entitled to restore any reductions in
8 apportionment revenue due to decrease in headcount during the
9 three years following the initial year of decrease in headcount if
10 there is a subsequent increase in headcount.

11 (4) For maintenance and operations, the workload measure
12 shall be based on the number of square feet of owned or leased
13 facilities. Changes in the number of square feet shall be adjusted
14 as follows:

15 (A) Increases in the number of square feet shall result in an
16 increase in revenue in the year that the increase occurs and at the
17 average per square foot.

18 (B) Decreases in the number of square feet shall result in a
19 decrease in revenue beginning July 1 of the first full year in which
20 the square feet are no longer owned or leased and at the average
21 rate per square foot.

22 (5) For institutional support, a single fixed percentage which
23 shall apply to all districts shall be established based on the pattern
24 from the most recent data. The percentage shall be obtained from
25 statewide data by comparing expenditures for this category with
26 the total revenue for all five categories.

27 (d) Funding standards, subject to the conditions and criteria of
28 this section, shall be established by the board for the various
29 categories of operation established pursuant to subdivision (b). In
30 consultation as required by subdivision (e) of Section 70901, the
31 board of governors shall annually request program improvement
32 moneys to assist districts in meeting these standards.

33 (e) ~~Annual~~ *To the extent that funding is provided in the annual*
34 *budget*, revenue adjustments shall be made to reflect cost changes,
35 using the same inflation adjustment as required for school districts
36 pursuant to subdivision (b) of Section 42238.1.

37 (f) An adjustment for economies of scale for districts and
38 colleges shall be provided.

39 (g) The statewide increase in workload of FTES and headcount
40 shall be, at a minimum, the rate of change of the adult population

1 as determined by the Department of Finance, and may be increased
2 through the budget process to reflect such other factors as
3 statewide priorities, the unemployment rate, and the number of
4 students graduating from California high schools. The allocation
5 of changes on a district-by-district basis shall be determined by the
6 board of governors.

7 (h) For fiscal year 1991–92 or on the date Section 84750 is
8 implemented by the board of governors in accordance with
9 Section 70 of Chapter 973 of the Statutes of 1988, whichever is
10 later, all districts shall receive at least the amount of revenue to
11 which they would have been entitled pursuant to Article 1
12 (commencing with Section 84700) of Chapter 5 of Part 50.
13 Thereafter, allocations shall be made pursuant to this section, as
14 implemented by the board of governors pursuant to the annual
15 State Budget.

16 (i) Except as specifically provided by statute, regulations of the
17 board of governors for determining and allocating the state general
18 apportionment to the community colleges ~~shall~~ may not require
19 district governing boards to expend the allocated revenues in
20 specified categories of operation or according to the workload
21 measures developed by the board of governors.

22 (j) As used in this section:

23 (1) “Criteria” means the definitions of elements of
24 institutional practice or activity to be included in the categories of
25 operation of community college districts.

26 (2) “Program improvement” means an increase in revenue
27 which is allocated to all districts to fund standards adopted
28 pursuant to subdivision (d). Program improvement also means an
29 increase in revenue allocated to low revenue districts to bring them
30 closer to the statewide average.

31 (3) “Standard” means the appropriate level of service in a
32 category of operation of the community college districts.

33 *SEC. 14. Chapter 7 (commencing with Section 99300) of Part*
34 *65 of the Education Code is repealed.*

35 *SEC. 15. Chapter 1.2 (commencing with Section 628) of Title*
36 *15 of Part 1 of the Penal Code is repealed.*

37 *SEC. 16. This act is an urgency statute necessary for the*
38 *immediate preservation of the public peace, health, or safety*
39 *within the meaning of Article IV of the Constitution and shall go*
40 *into immediate effect. The facts constituting the necessity are:*

1 *In order to make the necessary statutory changes to implement*
2 *the Budget Act of 2003 at the earliest possible time, it is necessary*
3 *that this act take effect immediately.*

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